

## ***Assist State Government***

### **a) Technical Assistance to the Governor and Legislature**

#### **Enabling Legislation**

*5 MRSA § 3304*: Requires SPO Director to assist the Governor and other officials of state government on all matters of policy, statewide planning, and public investments.

*5 MRSA § 3305-A*: Assigns SPO the duties of developing policies and recommendations for the Governor and Legislature in such areas as public investment and taxation and state regulatory policy.

*5 MRSA § 3305-B*: Directs SPO to prepare plans and studies at the request of the Governor, Legislature or interdepartmental committees, councils, or task forces.

*5 MRSA § 1710-N*: Names the State Planning Office as available to provide staff assistance to Maine's Commission on Performance Budgeting, if requested.

*5 MRSA § 15302*: Designates the Director of the State Planning Office (or designee) as a member of the Board of Directors of the Maine Technology Institute.

In addition to ongoing duties, the Legislature frequently calls on SPO to assist on short-term projects. Examples of these include:

- *P.L. 2001, Ch. 67*: Appoints the State Economist to a working group to study the deployment of broadband information technology
- *Private and Special Law #37, 2001*: Appoints the SPO Director to serve on the Commission to Study Assisted Living and report to the Health and Human Services Committee
- *P.L. 2001, Ch. 96*: Directs SPO to staff the Maine Regulatory Fairness Board

#### **Positions Contributing to this Responsibility**

- (1) Director (also supports other responsibilities)
- (1) State Economist (also supports other responsibilities)
- (1) State Planner (also supports other responsibilities)
- (1) Policy Development Specialist (also supports other responsibilities)
- (1) Development Program Manager (also supports other responsibilities)
- SPO staff with expertise as needed
- Shared Clerical and Administrative Support

#### **Description**

The State Planning Office was established in 1968 in part so that the Governor and the Legislature would have a reliable source of information and research on the broad matters that affect the State's economy, fiscal condition, and governance. State government needs an entity whose job is to take the longer view – a place to which decision makers

can turn for ideas, forecasts, and analyses that are not constrained by the day-to-day needs or biases of a given program or departmental mission.

As a result, much of what is asked of the State Planning Office does not fall within one particular area, but rather affects the broad make-up and governance of the State. Usually these take the form of requests by the Governor or Legislature for special studies or analyses; or to organize an initiative that crosses several departmental boundaries. In recent years, these have included, by way of example:

- Researching and establishing a framework for the introduction of **performance-based budgeting** in Maine.
- Examining Maine's **tax burden**, setting up a system to measure it, track it and compare it with that of peer states.
- As part of the annual preparation of the Governor's bond package, examining benchmarks for **limits on debt service** and borrowing.
- Reaching an understanding of the relationship among **research and development**, higher education, and per capita incomes in the State – and serving as the Governor's lead in working with the Legislature's Joint Select Committee on Research and Development in the design of the Maine Technology Institute and other R&D initiatives.
- Examining the effects associated with aging in Maine and the Northeast and how to turn this powerful demographic trend into economic opportunity through building up of the State's **retirement industry**.
- Reaching an objective understanding of the degree to which the State's natural resources-based industries – **fishing, farming, and forestry** -- share in the State's investments in economic development.
- Serving as the Governor's liaison with the Legislature and the Public Utilities Committee in the **restructuring of the electrical industry**.

Many of these requests require multidisciplinary teams, bringing together the office's economists, natural resources specialists, and planners to accomplish the tasks.

### **Progress towards Goals and Objectives**

To achieve its goal of stimulating the development of the State's economy and the conservation of its natural resources, SPO's strives to provide a variety of assistance to the Governor and Legislature upon request.

SPO measures its performance by tracking the number of special projects that the Governor and Legislature assigns to it.

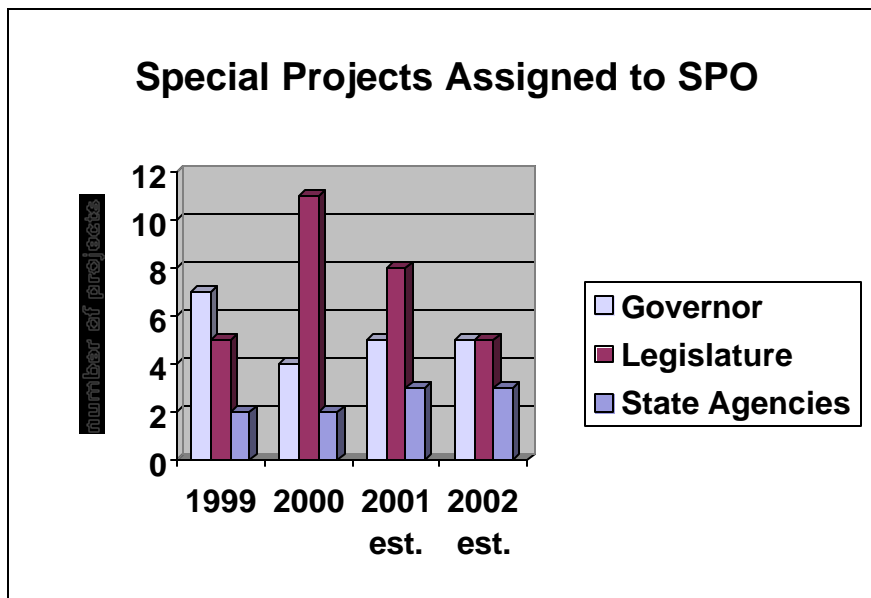


Figure 9: SPO estimates that it is assigned 15-20 special projects per year

#### Assessment of Progress

For this performance measure, SPO responds to requests for assistance rather than initiating activity. It is an indicator of the Governor and Legislature's respect for SPO's work that it continues to request our assistance. SPO's focus in this area is on improving the quality of our work.

#### Performance Outputs for 2000

- 85% annual customer satisfaction rating
- 84% of members of all SPO-staffed task forces rate our services as *Very Good* or *Excellent*
- 96% of legislators, department commissioners, and the Governor and Governor's staff are familiar with the State's performance budgeting initiative and 42% feel performance budgeting helps tie state spending to measurable results (up from 35% in 1997)
- Conducted four performance budgeting workshops with 86 participants; 100% rated the workshops as *Very Good* or *Excellent*
- Critiqued 3,000 agency performance measures
- Produced and distributed a performance budgeting newsletter
- Developed *Maine's Guide to Performance Measurement*
- Developed *A Golden Opportunity II* with recommendations for Maine's retirees
- Organized Maine's first Governors' Conference on Retirement and Aging in Maine with over 350 attendees
- Developed *30 and 1000*, a R&D strategy for the Administration
- Served on Board of Directors for the Maine Technology Foundation
- Developed the Administration's bond package for the 2002-03 budget proposal

### Other Evaluative Processes

- *Legislative Oversight:* Each year SPO briefs the members of the Legislature's State and Local Government Committee about our projects and performance. The State and Local Government Committee helped SPO's develop its strategic plan, reviewing priorities, ensuring its goals and objectives were consistent with legislative mandates, and providing input on performance measures. SPO's strategic plan establishes its priorities and ensures that its legislated duties are effectively carried out.

### Summary of Rule-making Activity

The State Planning Office does not have rule-making authority for this aspect of its work.

### Comparison of Federal and State Laws

Being in the forefront of performance budgeting has benefited Maine as the Federal Government implements the Government Performance and Results Act. Performance indicators are now tied to federal funds. Where some states are finding that they must report on federally determined measures, agencies in Maine State Government, who already have indicators in place, are being allowed to use them. On occasion, this has had the effect of allowing federal funding to accomplish state priorities, rather than the other way around.

### Constituencies Served

- Legislature
- Governor and his staff
- Department Commissioners and agency staff

### Efforts to Coordinate with Others

SPO's role in its technical assistance work is primarily one of coordination.

Examples of successful collaborative efforts include:

- *Performance Budgeting:* SPO co-leads Maine's performance budgeting initiative with the Bureau of the Budget. SPO's assists agencies with strategic planning and performance measurement and the Bureau of the Budget works with agencies to set performance targets for budget proposals. Nevertheless, the planning and budgeting roles overlap and the State's success can be attributed to collaboration. In 1996, SPO and the Budget Office received a Governor's Special Teamwork Award for its effective use of interagency coordination to implement the State's statewide strategic planning requirements. In 2001, staff of the planning and budgeting offices received a second Governor's Teamwork Award for the implementing performance budgeting.
- *Enhancing Maine's Retirement Industry:* SPO coordinated the efforts of the Governor's Retirement Industry Advisory Council to examine the economic development potential of attracting retirees to Maine. Initially the Council had 40 private-sector members, but it soon grew to 80 and, ultimately, 120 business and

nonprofit people volunteered their time for this effort. Each member served on one of four subcommittees of which a private sector individual was chair. Staff from four state agencies supported the subcommittees. The results exceeded all expectations in producing opportunities for people retiring to Maine and in creating public awareness of the many public policy issues of an aging population. This effort won a Governor's Special Teamwork Award in 2000.

- *R&D strategy:* SPO coordinated the Governor's strategy to increase per capita income in Maine. Research shows that improving education levels and increasing spending on research and development can achieve an increase in per capita income. In 2000, SPO convened leaders from academia, research labs, industry, and government to exchange ideas about how Maine could increase the State's commitment to R&D spending. The effort led to the development of *"30 and 1000: How to Build a Knowledge-based Economy in Maine and Raise Incomes to the National Average by 2010."* It is the impetus for considerable public and private investment including shaping three bonds that voters will act on in November 2001.

### **Alternate Delivery Systems**

The State Planning Office uses a variety of delivery systems to streamline processes, leverage funds, save time and money, and reach more people. Alternatives to traditional delivery systems include: contracting with others to provide services, charging fees, using volunteers, interns and research fellows, partnering with other organizations, sharing resources, and using electronic mechanisms.

Examples of successful alternative delivery systems include:

- *Internet Technology:* SPO increasingly uses the Internet to reduce costs of mailing and disseminating information. Reports and publications are posted on the web rather than mailing hard copies. E-mail is almost exclusively used to distribute draft reports for review and comment. For the December 2000 strategic planning submission to SPO, for example, state agencies were asked to submit strategic plans electronically, so hard copies were never printed or mailed. SPO's performance budgeting website was recently highlighted on a national website as a technical assistance resource. Most recently, SPO conducted its biennial survey of legislators and state agency commissioners via the web, reducing the cost of printing and mailing paper surveys and of tabulating the data.
- *Partnering:* SPO frequently engages multiple partners to accomplish tasks for which no or limited funding is provided. In addition to reducing direct funding needed for such efforts, far better results are produced by having the involvement of a variety of experts and stakeholders.
- *Train-the-trainer:* SPO used a pyramid approach to deliver strategic planning and performance budgeting technical assistance in a more cost-effective manner. SPO contracted with an external consultant to train its staff and a cadre of agency people who, in turn, trained department "strategic planning contacts," who were responsible for in-house training within their agencies.

- *Sharing Staff Expertise:* SPO frequently provides staff expertise to other departments. For a tax research project, SPO loaned a staff person with expertise in statistical analysis to the Maine Revenue Service for six months. To develop the State's performance budget prototype, an SPO staffer worked three days a week for six months in the Budget Office. This summer, SPO arranged to have one of its staff work part-time in the State Office of Training to assist with implementing the Maine Management Service. SPO regularly helps other state agencies, for example, serving on purchasing appeals panels and participating on management teams to revise the administrative policies for confidential managers.

### **Emerging Policy Issues**

The following issues are likely to command SPO's time and attention in the coming 1-3 years:

- *An Increasing Legislative Turnover:* Starting with the 118<sup>th</sup> Legislature, term limits cause a high turnover in the State Legislature every two years.

***SPO's Role:** Because the State Planning Office's mission is to keep decision-makers well informed about the State's economy and resources, the Office has a special responsibility to provide support to the large number of new legislators who will come into office biennially.*

- *An Increasing Trend toward Collaborative Policy-making:* Today, policy-making, aided by Internet technology, is frequently consensus-driven. It attempts to include all or many interested constituency groups. Task forces or advisory committees "hammer out" policy recommendations for legislative consideration. Often legislators themselves are part of these policy development groups.

***SPO's Role:** While many agencies work with legislative task forces, the State Planning Office has been charged with leading many of these in recent years. SPO is able to provide a more independent view than mission-driven departments.*

- *The Need to Enhance and Integrate Performance Data in Decision-making:* Citizens no longer accept at face value that government performs well. They want evidence. As the Federal Government requires states to supply performance measures as a requirement of federal money and public sector audit standards require states to report on performance data just as they now do on financial data, state government and the agencies that it comprises will need to demonstrate results. Performance management systems need to integrate measurement data from budgeting, accounting, and purchasing into operations and personnel decisions.

***SPO's Role:** SPO assists state agencies with developing and using performance measures through training and technical assistance.*

## **Emerging Programmatic Issues**

- *Maintain Capacity for Special Projects:* SPO anticipates that it will fulfill 15-20 requests per year for special studies and projects from the Governor and Legislature. While some of these projects are related to our core duties, some are not. Through its participation in the legislative process, SPO will try to alert the Legislature to the costs of a proposed study or project. This information could help the Legislature in deciding whether, how much, and what kind of support to provide and ensure SPO has the capacity to respond when needed.

***Background:*** Each year, the Legislature and Governor assign projects to SPO. These are generally short-term and episodic in nature and range from staffing a task force or commission (e.g. serve on the Commission to Study Assisted Living requested by the 120<sup>th</sup> Legislature) to preparing major studies (e.g. evaluate the business development and workforce education needs of Maine's natural resources-based industries as directed by the 119<sup>th</sup> Legislature) to implementing statewide initiatives (e.g. help implement performance budgeting in response to a request by the Governor). SPO assigns these tasks to existing staff based on the type of expertise needed.